

# Storm Sewer Operating Fund

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**T***o provide for the acquisition, reconstruction, maintenance, and operation of the Storm Sewer system. Services provided through this fund are:*

- *Storm sewer maintenance and administration; and*
- *Storm sewer improvements*

# Storm Sewer Operating Fund

## Budget Summary

	2007-2008 Adopted	2008-2009 Adopted	Change
Storm Sewer Maint. and Admin.	\$ 16,452,680	\$ 18,568,691	12.9%
Storm Sewer Improvements	\$ 2,850,000	\$ 3,425,000	20.2%

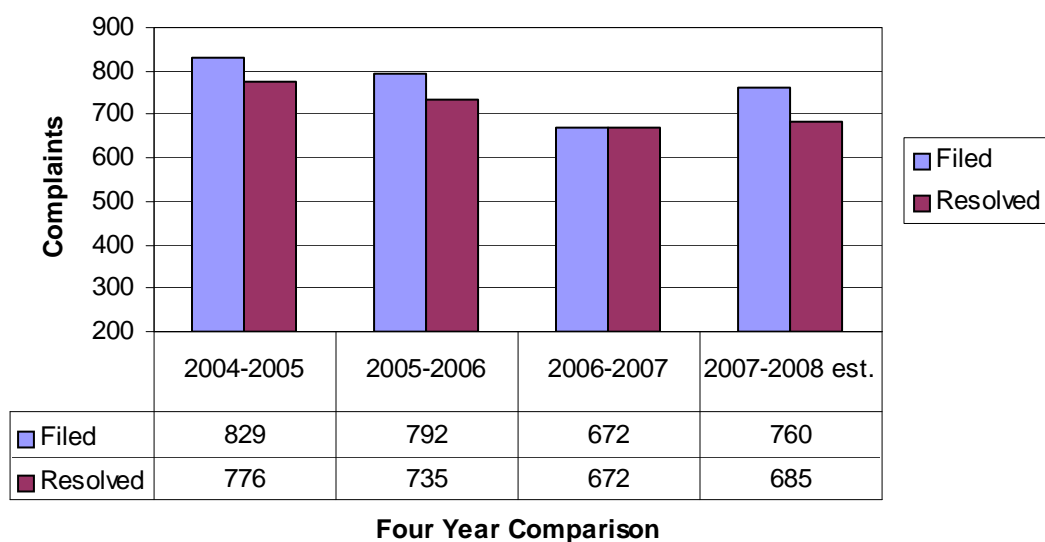
## Budget Highlights 2008-2009

□ In 2008-2009, key activities for this fund will include: improving effectiveness of street sweeping, supporting Our City Forest grant implementation, updating the storm sewer GIS map data, implementing drainage improvements, rehabilitating pump stations, and expanding water quality programming in response to regulatory requirements.

□ A 30% rate increase was approved for 2008-2009 in order to provide adequate funding to expand water quality protection programs in response to regulatory requirements, to operate the storm sewer system, and to maintain a modest capital improvement program.

**Budget**  
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### Urban Runoff Program Illicit Connection and Illegal Dumping Enforcement



# Storm Sewer Operating Fund

## Fund Overview

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**T**he Storm Sewer Operating Fund was established to improve the quality of the City's storm and surface water runoff and to meet the costs of the increasing federal, State, and regional regulatory requirements. Expenditures in the Storm Sewer Operating Fund support system maintenance, pollution control, administrative services, and capital improvements. In order to protect water quality in local streams and the South San Francisco Bay, the National Pollutant Discharge Elimination System (NPDES) Storm Water permit requires the City to implement pollution prevention activities and controls to prevent pollutants from entering the storm sewer collection system.

Virtually all of the Storm Sewer Operating Fund's revenue is generated by fees collected from residents and businesses. Rates are calculated based on the relative quality and quantity of storm water runoff contributed by residential, commercial, and industrial properties.

Long-range projections reflect increased costs for water quality programming for permit compliance and an aging storm sewer infrastructure that will require increased rehabilitation. Proposition 218 notifications were sent to all property owners in April 2007 to advise them of a three-year rate increase strategy which would increase the Storm Sewer Service Fee by 9% in 2007-2008 and up to 30% in 2008-2009 and 2009-2010. Following an assessment of operating and capital needs, a 30% rate increase for 2008-2009 was approved in this budget to adequately fund the operation of the Storm Sewer System, to ensure the quality of storm water runoff, and to fund necessary capital improvements in the City's storm sewer system. For 2008-2009, the rate increase will

raise the monthly single-family residential rate by \$1.35 from \$4.53 to \$5.88.

The Departments of Environmental Services, Public Works, and Transportation are primarily responsible for maintenance and construction of the storm sewer system, as well as pollution prevention activities. Other departments' activities, such as those of Planning, Building and Code Enforcement; General Services; and Parks, Recreation and Neighborhood Services are also affected by the stormwater permit requirements.

The current NPDES Stormwater permit was approved in February 2001, and has been administratively extended pending the adoption of the next permit, which is being developed as a Municipal Regional Permit for stormwater. The proposed Permit was released as a formal draft in December 2007 and will direct stormwater programming for 77 agencies, mostly cities, throughout the Bay Area. The permit is expected to require new and expanded programs to reduce pollutants discharged through the storm sewer system, such as mercury, pesticides, and trash; expanded implementation of treatment and flow controls on more new development projects; expanded water quality monitoring and regional studies; additional oversight of construction activities; and rigorous data collection and reporting to demonstrate compliance. Adoption of the permit is expected in Winter 2008.

For 2008-2009, several budget proposals were approved to enable the Environmental and Utility Services CSA to prepare for these regulatory requirements. A \$2.9 million reserve was approved to address the increased demands of implementing the NPDES Stormwater permit provisions, which will be

# Storm Sewer Operating Fund

## Fund Overview (Cont'd.)

appropriated as permit requirements become more clearly defined. In the Department of Transportation, investments in equipment replacement were approved to support the success of current operations. Additionally, in the Department of Transportation, additional funding was approved to support grant funding for Our City Forest and to improve the effectiveness of street sweeping by expanding the number of curb miles with parking enforcement on street sweeping days.

In 2008-2009, as in the prior year, the capital program focuses on storm pump station rehabilitation and minor improvements to address localized drainage problems in neighborhoods. The 2008-2009 transfer to

the Storm Sewer Capital Fund, originally estimated at \$1.825 million in the 2008-2012 Adopted Capital Improvement Program (CIP), was approved to increase by \$1.6 million to \$3.425 million to fund drainage improvements, continue the storm pump station rehabilitation and replacement program, and storm sewer system GIS mapping improvements. These projects will include the installation of technology and/or infrastructure to improve the capacity of the storm drain collection system, the quality of storm water runoff, and reduce localized ponding in residential neighborhoods.

## Fund Summary

	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Adopted 3	% Change (2 to 3)
<b>Dollars by Sources</b>				
Beginning Fund Balance	\$ 5,717,780	\$ 3,519,282	\$ 4,679,016	33.0%
Assessments	16,336,868	17,310,033	22,615,558	30.6%
Interest and Other	232,788	105,703	138,706	31.2%
<b>Total</b>	<b>\$ 22,287,436</b>	<b>\$ 20,935,018</b>	<b>\$ 27,433,280</b>	<b>31.0%</b>
<b>Dollars by Uses</b>				
Storm Sewer Maint. & Administration	\$ 14,577,977	\$ 16,452,680	\$ 18,568,691	12.9%
Storm Sewer Improvements	1,925,000	2,850,000	3,425,000	20.2%
Ending Fund Balance	5,784,459	1,632,338	5,439,589	233.2%
<b>Total</b>	<b>\$ 22,287,436</b>	<b>\$ 20,935,018</b>	<b>\$ 27,433,280</b>	<b>31.0%</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Overview

**T**his category of program costs includes funding for Storm Sewer System Maintenance, Pollution Control, and Administrative Services. System Maintenance is performed by the Transportation, Public Works, and Environmental Services Departments. The Transportation and Public Works Departments repair damaged storm sewer pipes and maintain the system infrastructure, while the Environmental Services Department is responsible for the

overall program operations. The Pollution Control category includes the cost of efforts to ensure City compliance with the NPDES Stormwater Permit requirements. Administrative Services includes support services provided by various City departments, overhead to the General Fund, fees charged by the County for collecting assessments, and loan repayments.

### Budget Category Summary

<b>Storm Sewer Maintenance and Administration</b>	<b>2006-2007 Actual 1</b>	<b>2007-2008 Adopted 2</b>	<b>2008-2009 Adopted 3</b>	<b>% Change (2 to 3)</b>
System Maintenance	\$ 2,407,614	\$ 2,890,252	\$ 3,517,107	21.7%
Pollution Control	8,995,348	10,763,089	11,099,140	3.1%
Administrative Services	3,175,015	2,799,339	3,952,444	41.2%
<b>Total</b>	<b>\$ 14,577,977</b>	<b>\$ 16,452,680</b>	<b>\$ 18,568,691</b>	<b>12.9%</b>

Three major factors impact the costs of programs supported by this fund: 1) aggressive pollution control programs mandated by the City's NPDES Stormwater Permit; 2) the increasing age of the storm sewer system, which results in higher maintenance costs and a growing need for replacement and rehabilitation; and 3) the extent of the system's growth due to new development construction.

The increased costs in the 2008-2009 Adopted Budget result from several approved key additions, including funding to support new regulatory requirements and stormwater control measures and assessments related to the NPDES Regional Municipal Permit for Stormwater. In Administrative Services, a substantial increase in loan repayments offset savings realized from overhead payments to the General Fund.

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary (Cont'd.)

The following changes were approved in 2008-2009 for the System Maintenance, Pollution Control, and Administrative Services allocations:

<b>Adopted Allocation</b>	<b>2007-2008 Adopted</b>	<b>Change</b>	<b>2008-2009 Adopted</b>
<b>System Maintenance</b>	<b>\$ 2,890,252</b>	<b>\$ 626,855</b>	<b>\$ 3,517,107</b>

The change in the System Maintenance program reflects increases in Public Works Department personal services costs (\$3,585), Department of Transportation (DOT) non-personal/equipment (\$16,682) and part of the costs related to: the replacement of three street sweeper trucks (\$476,170), an operating grant for Our City Forest (\$117,682), a Sustainability Officer (\$9,681), and a City-wide Urban Forest Manager (\$18,637). These increases were partially offset by a decrease in the DOT landscape maintenance (\$15,582).

<b>Pollution Control</b>	<b>10,763,089</b>	<b>336,051</b>	<b>11,099,140</b>
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The change in the Pollution Control program reflects increases in Finance Department personal services (\$3,696), DOT personal services (\$5,443), Public Works Department personal services (\$20,315), Park, Recreation and Neighborhood Services Department personal services allocation (\$131,132) and non-personal/equipment (\$52,871) for an illegal dumping along creeksides program, and part of the costs related to: the replacement of three street sweeper trucks (\$223,830), an operating grant for Our City Forest (\$55,318), diesel vehicle retrofit (\$29,000), a Sustainability Officer (\$17,350), the Green Building program (\$16,838), and a portion of a City-wide Urban Forest Manager (\$37,472). These increases are partially offset by decreases in DOT landscape maintenance (\$96,778), Environmental Services Department non-personal/equipment (\$240,901), personal services (\$7,063) and Planning, Building and Code Enforcement Department personal services costs (\$10,416).

<b>Administrative Services</b>	<b>2,799,339</b>	<b>1,153,105</b>	<b>3,952,444</b>
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The change in the Administrative Services program reflects increases in Workers' Compensation Claims payments (\$4,175), City Hall Debt Service (\$24,589), loan repayments for the Sewage Treatment Connection Fee (\$1,258,451), Information Technology Department (ITD) non-personal/equipment adjustments (\$3,312), and the addition of a portion of a GIS Program Manager II position (\$1,676). These increases are offset by a reduction in overhead payments (\$77,851), ITD personal services (\$20,695), elimination of a portion of a Senior Analyst from the Integrated Billing System program (\$19,417), decreases in fees associated with the collection of revenues by the County of Santa Clara (\$8,765), General Fund transfers for GASB 43/45 (\$1,829), and IBS Commercial Paper repayments (\$10,541).

<b>Total Storm Sewer Maintenance and Administration</b>	<b>\$ 16,452,680</b>	<b>\$ 2,116,011</b>	<b>\$ 18,568,691</b>
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# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Improvements

### Budget Category Overview

**T**he Storm Sewer Improvements Program consists of capital projects designed to construct storm sewer systems to convey surface runoff in the City's Urban

Service Area to adjacent stream channels and to enhance existing storm sewer capacity and improve operations.

### Budget Category Summary

	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Adopted 3	% Change (2 to 3)
<b>Storm Sewer Improvements</b>				
Transfer to Capital Fund for Storm Sewer Improvements	\$ 1,925,000	\$ 2,850,000	\$ 3,425,000	20.2%
<b>Total</b>	<b>\$ 1,925,000</b>	<b>\$ 2,850,000</b>	<b>\$ 3,425,000</b>	<b>20.2%</b>

The following changes were approved in the Transfer to Capital Fund for Storm Sewer Improvements allocation in 2008-2009:

Adopted Allocation	2007-2008 Adopted	Change	2008-2009 Adopted
<b>Transfer to Capital Fund for Storm Sewer Improvements</b>	<b>\$ 2,850,000</b>	<b>\$ 575,000</b>	<b>\$ 3,425,000</b>

Storm Sewer Improvements funding is transferred from the Storm Sewer Operating Fund to the Storm Sewer Capital Fund to support improvements to the existing storm sewer system. The amount originally programmed in the 2008-2012 Adopted CIP was \$1,825,000. A significant increase to the transfer was approved to fund a fifth year of storm pump station rehabilitation and replacements, GIS system improvements, and to address localized ponding problems in residential neighborhoods.

<b>Total Storm Sewer Improvements</b>	<b>\$ 2,850,000</b>	<b>\$ 575,000</b>	<b>\$ 3,425,000</b>
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